

Message Text

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PAGE 01 KUWAIT 00374 191502Z

ACTION EB-07

INFO OCT-01 AF-08 ARA-10 EUR-12 EA-09 NEA-10 ISO-00 FEA-01

ERDA-07 AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-15 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-10 PA-02 PRS-01 IO-13 /169 W

-----192333Z 097511 /62

R 191402Z JAN 77

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 7099

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

USINT BAGHDAD

AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY LUGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY PARIS

USMISSION OECD PARIS UNN

AMEMBASSY QUITO

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

UNCLAS KUWAIT 0374

E.O. 11652: N/A

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TAGS: ENRG, PFOR, KU, SA

SUBJ: SAUDI-KUWAITI CONSULTATIONS ON OIL: SAUDI PRICE/PRODUCTION
POLICY

REF: KUWAIT 349

1. AS NOTED REFTEL, SAUDI OIL MINISTRY UNDERSEC ABDUL AZZIZ

AL-TURKI ARRIVED IN KUWAIT JAN 18. PRESS REPORTS JAN 19 NOTE THAT HE AND HIS KUWAITI COUNTERPART, OIL MINISTRY UNDERSEC AL-ADASANI, ARE DISCUSSING IN SOME DETAIL "MUTAL PROBLEMS RELATED TO OPEC" AS WELL AS THE SALE OF OIL FROM THE NOW-BISECTED "NEUTRAL ZONE," THE TOTAL BENEFITS OF WHICH ARE

SHARED BETWEEN THEIR TWO COUNTRIES UNDER A SPECIAL BILATERAL AGREEMENT. REGARDING THE OPEC DUAL PRICE PROBLEM, UNDER SEC AL-TURKI IS QUOTED AS SAYING THAT " THE EXISTENCE OF TWO PRICES IS CONSIDERED AN UNHEALTHY MATTER" AND "WE ARE TRYING TO WORK FOR ONE PRICE" BUT "SO FAR WE HAVE BEEN UNSUCCESSFUL".

2. IN ANSWER TO A PRESS QUESTION ON WHETHER SAUDI WOULD RAISE ITS PRICES A FULL 5 PERCENT, AL-TURKI REPORTEDLY SAID THAT SAUDI ARABIA HAS RAISED THE PRICE OF LIGHT ARABIAN CRUDE, BY 5 PERCENT BUT THAT OTHER GRADES HAVE HAD APPLIED TO THEM "PRICING DIFFERENTIALS REQUIRED BY THE MARKET". AL-TURKI IS ALSO QUOTED AS ASSERTING THAT THE CURRENT SAUDI PLAN TO INCREASE PRODUCTION TO "ELEVEN MILLION BARRELS PER DAY" WAS DECIDED UPON WELL BEFORE THE DECEMBER OPEC MEETING IN DOHA, AND THAT, WHILE OTHER OPEC MEMBERS DO OPPOSE THIS, " WE ARE TIED

TO THE INTERNATIONAL MARKET BY MANY RELATIONS".
MAESTRONE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: PETROLEUM PRODUCTION, POLICIES, PRICES, MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
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ISecure: 1
Legacy Key: link1977/newtext/t19770138/aaaabguq.tel
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Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: d8eda2d4-c288-dd11-92da-001cc4696bcc
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Original Previous Classification: n/a
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Review Release Event: n/a
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Type: TE
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